

Thanks, Kevin. Good morning, everybody. (Inaudible) I'm here to talk about our opposition, the Democracy Alliance, and it's part of an organization, a vast group, for the Obama administration (inaudible).

Three things I want to discuss. One, who they are (inaudible); two, what they're doing; and three; what does it mean for us.

For those of you not familiar with the Democracy Alliance, it was started in 2005, and it was started by a group of (inaudible) wealthy, liberal philanthropists and business owners. And they were coming together. They wanted to (inaudible) Democracy Alliance endorsed. We've been able to learn more details about them in the last couple of months from the documents that someone in the group left behind at their last seminar.

(Inaudible both ways. We've learned a lot more, so (Laughter)).

And it's very interesting stuff. At the end of the sessions here, we're going to have some handouts and you'll be able to see some of the documents that we were able to get a hold of. And it was all -- I'm general counsel (inaudible) legal, appropriate with (inaudible).

What you're going to see, though, is a very vast network that the left infrastructure, (inaudible) talk about a permanent infrastructure again and again and again, that has, according to their own documents, at least 172 different organizations, and we'll talk about that. The overwhelming number of these organizations are two 501(c)(3)s, 501(c)(4)s who don't disclose their donors, neither does Democracy Alliance. They don't disclose their members. The overwhelming majority of them have attacked (inaudible) in the last 40 days. And that's not going to let up. Some of the names involved in Democracy Alliance I'm sure you know: George Soros; Tom Steyer; Peter Lewis; Rob McKay, the heir of the Taco Bell empire; and Chris Hughes, one of the co-founders of Facebook.

Now, the strategy they're focusing on is very different. They stay on message (inaudible) investments and have everybody in line. Their bottom line is not that different than ours, but in some ways they're much better at it.

--CUT IN AUDIO--

...who are committed to a strong democracy and a more progressive America, who play a leadership role in building a movement infrastructure to execute and advance a progressive agenda. And they don't say this, but I'll say it. They had a really big start in building their infrastructure -- 70 years' head start. And here's what they build on (inaudible) a permanent bureaucracy in the regulatory system (inaudible). They built it on unions and what they did. Of course, they don't have to worry about the media (inaudible) like we do (inaudible). The media will lie for them. They basically own them in many ways. The media, like the New York Times for example.

They're also (inaudible) the teachers union (inaudible). And then, of course, by and large, traditionally, our educational institutions, which if you went to public school, in a blue-collar town (inaudible) like I did, (inaudible) that they wanted it. Because kindergarten through grade 12 and then go to college at the University of Massachusetts, four more years of this. (Inaudible) but he never learned (Laughter) (inaudible).

But anyway, they built on all that when they started. They really started on third base. And one might (inaudible) say, they didn't build that, but they relied on it. Last year about this time, the Democracy Alliance had a meeting out here (inaudible). And afterwards, Rob McKay, Rob McKay opened up to an LA Times reporter

about what they're trying to do. And he was one of the co-founders and a former board member. And he (inaudible) resources to specific political issues, does not deter the broader strategy. "We have got to do both. Every dollar we're putting into this is into groups that are part of the permanent infrastructure." And we talked about that yesterday, right? Yesterday (inaudible) you've got to do both (inaudible).

But what we're doing is trying to do it all the same time and build up (inaudible) already have it in place, that they've just glommed onto basically. And so what they do is they try to build a permanent infrastructure to win elections and they obsess about us, all of you.

Mr. McKay goes on to say, "We keep an eye on what the Koch network is doing." You can read that (inaudible).

This is the one quote that cracks me up. "The thing that I think keeps everyone on edge is the overwhelming dollars that they can throw at stuff." (Inaudible) groups on the left, okay. "I'm proud of the numbers we've generated over time, but we all know we're going to have to be successful with less."

(Inaudible) I do like Taco Bell, but (inaudible) so I won't go to Taco Bell anymore (inaudible).

Okay, so here's what they've built, and these are some of the documents we were able to get. This is the 2014 portfolio snapshot, and of course it opens up with a warning about us, as you'll see here in a second. (Inaudible) "Conservatives, particularly the Koch brothers are playing for keeps, with an even more pronounced financial advantage than in recent election cycles." Not really true, as you'll see in a minute, but anyway, thanks for the love.

So the next slide here will (inaudible) this is the core functions of the progressive movement. And this is in one of their documents where they identified 21 groups this cycle that they wanted their investors to focus on, and I did copy this if you want to see afterward (inaudible).

But I really want to focus on the left-hand side of the slide. There are 11 core areas they focus on, and then there are 21 groups.

Here's the deal. If you look, if you do the math here, there are 21 groups identified that they want their investors to focus on. Nineteen of the 21 are focused on that yellow bulb: advancing progressive ideas (inaudible) communicating propaganda, get the message out. Nineteen of the 21 are focused on, it's the red one at the bottom with the two arrows – integrating state/national attacks, coordinating activities and messaging. And that is one thing I admire about them, somewhat – they always are on message both ways: national, state, and local (inaudible) story. We have about 47 (inaudible) what happens.

Lastly, 17 of the 21 are focused on the green, kind of aqua above the (inaudible) grassroots network. So that's what they're focused on there. They're constantly recruiting new talent, innovating, refreshing, getting the group started, building the movement like we talk about. Yea, I mean this isn't rocket science (inaudible) political science.

But here's the deal. This is what we're trying to do. They're building, and that they had a 70-year head start, and this is what they're building up and they're still focused on it again, and again, and again. And that's what we need to do. Now, Harry Reid, during his testimony before the senate Judiciary Committee two weeks ago, for the Koch amendment to the First Amendment as it was called. He said that the Koch brothers must have 15 different phone organizations that pump money

into the system. Well, Harry Reid was wrong again, that if you include the groups that are on the Freedom Partners' 990 last year, which is, they're talking about our organization (inaudible) going on. I don't know what Harry Reid was talking about. You have 31 groups (inaudible). So let's say we have 31 groups in our network. None of them (inaudible), they're actually doing stuff (inaudible) and they know that.

But look at what the progressives have, what the left has. This is their -- one page of the progressive infrastructure map 2014. Just one page. They have 172 groups, 172. I was really bad at math, but 172 is a lot more than 31.

And here's the deal. These groups, 113 of them have attacked us, attacked us repeatedly. So that's what we're up against. An this, this was the progressive infrastructure map. I think they must've run out of names or something because MoveOn (inaudible) et cetera. But it's pretty, it's pretty comprehensive. It's pretty impressive at some level, so we have to take a step back because most of these groups on these lists have c(3)s and (inaudible) et cetera. But it's pretty, it's pretty comprehensive. It's pretty impressive at some level, so we have to take a step back because most of these groups on these lists have c(3)s and c(4)s, as I mentioned to you earlier. So what we have here is the Democracy Alliance, funding (inaudible) a shadowy network of C(3)s, C(4)s -- who don't disclose their donors, remember -- who attack us as a shadowy network of c(3)s, c(4)s. (Inaudible). Whatever they may say about us goes the same for them.

Now, here's something people don't know about. We don't have these -- we have many more ideas and tactics. That's what's going to carry the day.

--CUT IN AUDIO--

Charles and I, we've been working on these issues for 50 years or more, but in the last year, because of the LIBRE Initiative, Generation Opportunity, Concerned Veterans for America, Americans for Prosperity, and many others, I don't want to -- by not mentioning them, I don't mean to exclude them -- they've been very effective. They've done a great job. And I've always accepted and appreciated everything this group, this room has done. I really do.

(Inaudible) all morning (Inaudible). And what we have is a drop in the bucket compared to the left. (Inaudible) and they outnumber us. They outnumber us by a lot. So why do we get all the love? We know this, right? We talk about it all the time. Because you're effective. If you weren't any good, they wouldn't care. You're eff-, you're effective, and here's the deal. They know. And you know the quote, first they ignore you, then they mock you, then they attack you, then we win.

We're close to winning. I don't know how close, but we should be because they can't attack the ideas. They don't have the real path, all they do is target and they. Just try to silence people. You know, they're afraid of us. They really are. They're afraid of this room.

--CUT IN AUDIO--

And so why are they doing it? The well-known philosopher, Bob Marley, said it best with "I Shot the Sheriff."

They want to kill it before it grows. They didn't do that. Too late. So they (inaudible). They still try to keep people from joining, try to shame them, embarrass them, whatever. And you know what? That's dark and that's scary. And I'll tell you, in some areas (inaudible).

You have been great. You've been a great group, a phenomenal group. But on the productive infrastructure side we just looked at, there at least four groups: Voto Latino, Latino Engagement Fund, (inaudible) La Raza (inaudible), and that's just four of them. (Inaudible) in the introduction, in 2011, that's the last time we have data for from their 990s. There were another 20 at least (inaudible) groups on the left (inaudible) \$300 million, most of it through government grants.

So LIBRE, awesome. We're up against a lot, and they're not satisfied that they outnumber us 24 to 1 now, so all the federal money, all the left money. They still want us snuffed out. That's the way they are. You can look at our (inaudible) on that list. We have progressive infrastructure map and core functions. You've got media groups. You've got income inequality groups. You've got environmental groups on climate change. You've got (inaudible) groups, whatever it is. They (swarm), they outnumber us in numbers, pure numbers, it's not even close. But that's okay because we're going to grow, and it's not about the numbers.

But we have a lot of progress (inaudible). We are at a competitive disadvantage. For example, (inaudible) you might have a (inaudible), right? Six to one (inaudible). Now, I don't know what (inaudible). Front groups across the board. Youth engagement, because Generation Opportunity, I know there are other groups who are aligned with us, but we should talk about Generation Opportunity.

(Inaudible) progressive infrastructure map (inaudible) and they're growing more. I'm not saying we do what they do. I'm not saying we do like they do and create a bunch of foreign organizations like Harry Reid accused us of. I'm just saying this has got to keep growing, cause we're doing a lot with a little. But they're very effective and it's not just numbers. I'm going to give a couple examples (inaudible) tomorrow. The first one deals with how they're able to get their messages out very effectively in the mainstream media. And the second one is more troubling, more so than the first one.

American Bridge, David Brock's organization, I don't know if you've (inaudible) Media Matters for America. And he's also the head of American Bridge. The group has been active for like, several years. (Inaudible) et cetera et cetera.

It was on May 14, that um, a Wednesday night, I got an email from Mike Allen of Politico Saying, "Hey David Brock (inaudible) party guy. Do you have any comment?"

--CUT IN AUDIO--

And then that afternoon, another of our media people got a call from (inaudible) affiliate. (Inaudible) he called Koch; he was asking for comment; he wanted to talk about the (inaudible). It was David Koch's candidacy for the 1980 Libertarian Party, but it was a (inaudible).

(Laughter).

And he says, "No, I've got a bunch of documents, David's scholarly writings from the '70s and '80s." And they're like, okay, and (inaudible)? So we gave some quotes and comments. That was Thursday afternoon. Sunday morning, front page of the New York Times (inaudible). American Bridge gave them that. Now I (inaudible), from the you know, Wednesday to the front page of the New York Times, the Sunday Times, which a lot of people read, very effective.

The next one is actually a larger problem. The American Constitution Society. I don't know how many of you have heard of them. They were established – they are supposed to be the left-wing, progressive Federalist Society, that's how they market themselves. The Democracy Alliance, what are their core values? We know their core values (inaudible). One of them is to preserve and defend an independent

judiciary. Well, the American Constitution Society, one of their alumni you might have heard of – Eric Holder.

No? Okay. The really obvious thing Holder (inaudible), a real focus for him, fundamentally changing the (inaudible) U.S. Court of Appeals for the D.C. Circuit. Prior to November of last year, the D.C. Circuit was evenly split with acting judges, four conservatives, four liberals. And they wanted to get three more judges who were in the pipeline confirmed.

--CUT IN AUDIO--

He couldn't get anything through Congress when he controlled the house and the Senate – an't nothin' happening now. But he's had (inaudible) and he's got all these agencies running wild (inaudible) and before that.

So here's what's going on. All of these things (inaudible), the IRS (inaudible), HHS, Dodd-Frank, NLRB – the list goes on and on – ultimately they're all going to come up to the D.C. Circuit, to be challenged by the different groups, some the groups that (inaudible).

And so, what happened was – well, first off, here's our friend again. This was different because it was nine years ago.

-- CUT IN AUDIO --

So what happened? November of last year, Sen. Reid and the Democrats (inaudible) the filibuster rule. (Inaudible) you didn't need 60 votes to get anything done anymore. You could confirm appellate court judges and strict court judges with a straight-line vote. And what happened next? Wow.

We have four judges appointed to the D.C. Circuit Court.

--CUT IN AUDIO--

This is serious, though. Seven to four now, progressive. That stuff is all coming up. Rule of law goes out the window. Everything goes out the window. They just want to win. Alright, so what do we do? Well, let's look at one more slide (inaudible). Uh, this is the amount of money...

--CUT IN AUDIO--

And then on top of that, they say there's another \$30 million given to about 150 the groups just by Democracy Alliance. So if we're already up to \$330 million, (inaudible). So that's another \$100 million.

Then we have Big Labor. They say they're going to spend \$300 million. That's quite low. That was in the New York Times, but we'll go with that number. Then let's add \$400 million. That's what PACs and Super PACs have already spent this cycle (inaudible). Now, we're not sure how much of that would be included in the labor money. I don't know. It's hard to know, but maybe we'll (inaudible). It doesn't really matter at this point (inaudible) a billion is what we estimate the massive amount of what PACs and super PACs are going to spend on Democratic (inaudible) on that number.

--CUT IN AUDIO--

Not sure if that's the right number or not. It's somewhere in that ballpark. So that's \$2.2 billion. So here's the deal. 172 is a lot more than 31. \$2.2 billion is a lot more than \$290 million. But they're still afraid of us because we have the

facts, we have the ideas, we have the commitment. And at some point, some time, some way, we're going to have to stop talking about shadowy organizations, and billionaires, and whatever else. And when we stick to the ideas (inaudible) lives better. We have the facts, and they know that. So we've got to hang in there. We can't give up. I know (inaudible). None of you will back down (inaudible). We can't back down, and we won't back down. Now, (inaudible). So next up, Marc Short and Tim fillips (inaudible) the Senate.